

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 98-0427 MVE**

**Motor Vehicle Excise Tax**

**For Tax Period: 12/31/93 Through 07/31/98**

NOTICE: Under IC 4-22-7-7, this document is required to be published in the Indiana Register and is effective on its date of publication. It shall remain in effect until the date it is superseded or deleted by the publication of a new document in the Indiana Register. The publication of this document will provide the general public with information about the Department's official position concerning a specific issue.

**ISSUE**

**I. Motor Vehicle Excise Tax – Imposition**

**Authority:** IC 9-18-2-1

Taxpayers protest the imposition of the motor vehicle excise tax on their 1992 Lexus.

**STATEMENT OF FACTS**

Taxpayers became residents of Indiana in 1994. Taxpayers registered their 1992 Lexus in Indiana on March 9, 1998. The Department assessed the motor vehicle excise tax against the taxpayers for the periods from December 1993 through July 1998. Taxpayers protested these assessments. Additional relevant facts will be provided below, as necessary.

**I. Motor Vehicle Excise Tax – Imposition**

**DISCUSSION**

Pursuant to Indiana Code section 9-18-2-1, an Indiana resident must register all motor vehicles, owned by that person, within sixty days of becoming an Indiana resident. IC 9-18-2-1 further states to be subject to this tax, the vehicles must be operated in Indiana.

Taxpayers claim they moved to Indiana in late 1994. However, taxpayers filed Full-Year Resident Indiana Income Tax Returns for tax years 1994 through the present. The Department finds the filing of Full-Year

Resident returns to be evidence of residency. As such, the Department finds the taxpayers were residents of Indiana for the entire assessment period and subject to IC 9-18-2-1.

Taxpayers next claim the 1992 Lexus was not operated in Indiana and was not subject to the motor vehicle excise tax prior to 1998. Taxpayers state the vehicle was left in California for their son's use. Taxpayers sold another of their vehicles in early 1998 and decided to bring the 1992 Lexus to Indiana. To verify this claim the taxpayers have provided copies of insurance and maintenance records. These records establish the vehicle's continuous presence in California throughout the assessment period. Prior to being operated in Indiana, the Lexus was not subject to IC 9-18-2-1.

### **FINDING**

Taxpayers' protest is sustained. Taxpayers have shown the 1992 Lexus was not operated in Indiana prior to 1998. Taxpayers properly licensed and registered the vehicle in March 1998.